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## **INTRODUCTION**

The Warren Family YMCA entered into contract number BA-01-50005 with the Michigan Family Independence Agency (FIA) to provide a Before and After School program to children in grades 3-8. The After-School Program consists of Life Skills Educational Support Group, Speakers, Study Skills Group, and Physical Achievement Group conducted by the YMCA staff. The Warren Family YMCA was reimbursed for actual costs incurred through submission of monthly billings to FIA. The contract totals \$17,590.23 and covers the period October 16, 2000 through June 6, 2001.

## **SCOPE**

The Office of Internal Audit performed an audit of Warren Family YMCA to determine if their billings were accurate, and if costs billed were allowable and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. We also reviewed a sample of TANF forms and Surveys to determine that services were being provided to TANF eligible families. Our audit covered the period October 16, 2000 through February 28, 2001. Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

## **EXECUTIVE SUMMARY**

Based on our audit, we conclude that the Warren Family YMCA overbilled FIA \$763 for supplies and contractual services. Our report recommends the Child and Family Services Administration determine whether they will allow the Warren Family YMCA to submit a revised budget to include recreational supplies in the contract budget, and initiate the process to recoup for the overbilled amount.

## **AUDITEE RESPONSE**

The management of The Warren Family YMCA has reviewed the findings and recommendations included in this report. They indicated in a telephone message on June 25, 2001 that they are in general agreement with the report.

## **FINDINGS AND RECOMMENDATIONS**

### **Supplies**

1. The Warren Family YMCA overbilled FIA \$58 for paper costs due to the actual cost of paper supplies being less than they billed. The YMCA purchased recreational equipment at a cost of \$113.00, which was billed for, but is not included in the contract as an allowable expense.

### **Contractual Services**

2. The Warren Family YMCA overbilled FIA \$705 for a camping trip due to the actual cost of 26 children attending camp being less than the 41 children estimated and billed for.

WE RECOMMEND that the Child and Family Services Administration either initiate the process to recoup the \$113 billed for recreational supplies, or allow the Warren Family YMCA to submit a budget amendment to include recreational supplies in the supplies line item.

WE ALSO RECOMMEND that the Child and Family Services Administration initiate the process to recoup the \$763 (\$705 + \$58) overbilled by the Warren Family YMCA, and instruct them to bill for actual costs in their future billings.